

Consumer Confidence Survey

124105-4

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

January 1990

CONFIDENCE STURDY DESPITE SMALL RETREAT

In December consumer confidence retreated moderately, following a small loss the month before. Still the latest figure is at a comfortably strong level. The Index (1985 = 100) registered 113.1 in December, down two points for the month. All of the decline in confidence reflects the consumer's somewhat less favorable assessment of the prevailing situation. However, the general level of expectations for the months ahead remains unchanged. Buying plans are mixed.

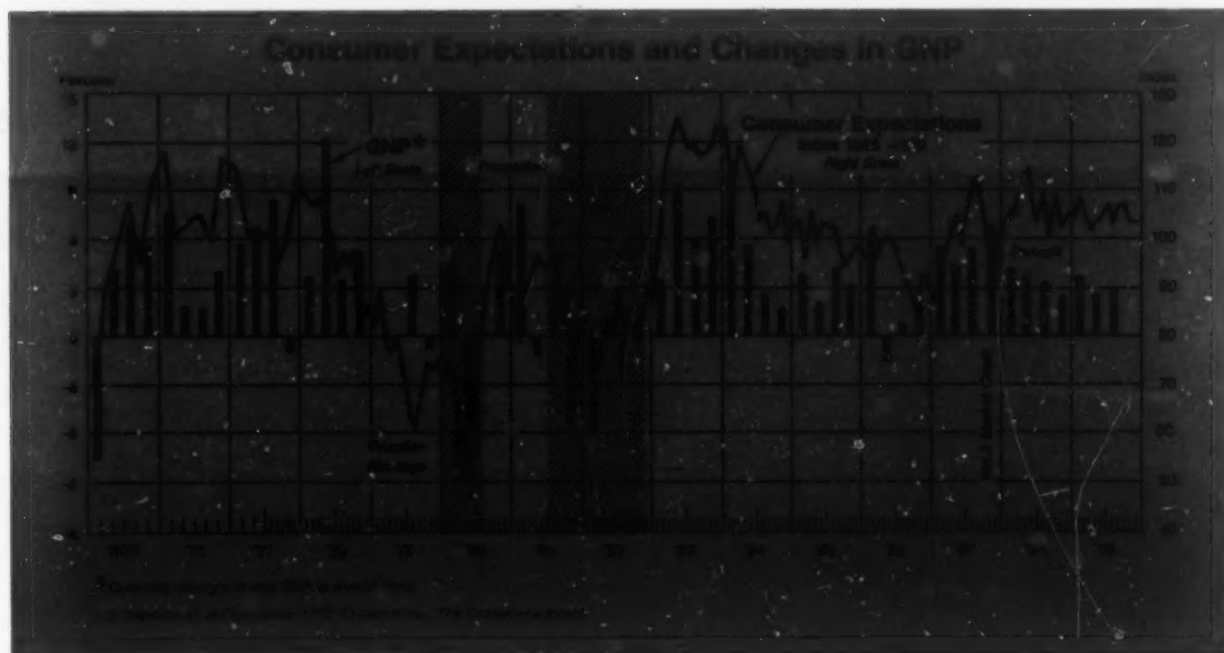
Slightly more survey respondents than last time believe that ongoing business conditions are "bad" —17.1%, up almost two points. People are also marginally less at ease with the present employment situation. Only 27.5% say that jobs are "plentiful", a loss of two points. Still the number that say that jobs are "hard to get" remained unchanged at about 20 percent.

Consumers continue to be as optimistic about likely economic developments in the coming six months as in November. Slightly more people than in the preceding month expect conditions to improve, fewer expect that they will worsen. Similarly, on the question of the employment outlook, there was relatively little change. Also, on the issue of their personal income prospects people feel about the same as last time.

There have been only moderate changes in the consumer's plans to buy. Some 6.7% indicate they will purchase a car in the next six months, roughly the same level as recorded earlier. On the question of purchasing a home, 3.2% indicate such an intent, about the same figure as has prevailed over the past four months. Interest in major appliances is marginally stronger than in November. Vacation plans are running somewhat higher than last year at this time.

Although the Consumer Confidence Index has inched back in the last two months, the aggregate loss is a relatively insignificant four points. The current index reading suggests a good rate of economic growth as we enter the new year. Although there continue to be intermittent indications that the economy might be losing its vigor, the news from the consumer remains reassuringly strong. Recent survey findings do not suggest the slightest hint of economic troubles ahead. The level of confidence, which has prevailed through most of 1989, has always foretold a satisfactory rate of economic growth in the twenty odd years of the survey. Based on the record, the present level of consumer confidence indicates a reasonably strong economy as we enter 1990.

Fabian Linden



Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households > 100%

	Business						Employment ¹				Income		
	1988	1989											
All series seasonally adjusted	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov (r)	Dec (p)
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	119.4	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.1
Present Situation	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	127.1
Expectations	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	103.7
Appraisal of Present Situation: Percent													
Business Conditions													
Good	32.5	29.1	30.6	28.4	28.9	30.1	28.3	31.6	27.5	27.1	28.0	26.2	25.1
Bad	15.5	18.2	16.9	16.1	16.4	16.5	17.2	15.5	17.4	16.9	16.9	15.2	17.1
Normal	52.0	52.7	52.5	55.5	54.7	53.4	54.5	52.9	55.1	56.0	55.1	58.6	57.8
Employment													
Jobs plentiful	33.7	33.0	34.3	32.8	34.5	34.1	33.2	33.1	31.6	30.4	30.4	29.6	27.5
Jobs not so plentiful	45.5	45.8	45.8	46.7	45.7	44.8	46.4	47.6	48.1	48.9	49.4	48.7	52.1
Jobs hard to get	20.8	21.2	19.9	20.5	19.8	21.1	20.4	19.3	20.3	20.7	20.2	20.7	20.4
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	19.6	17.7	20.9	17.9	17.3	20.7	20.1	18.8	18.3	18.3	19.5	17.6	18.1
Worse	7.5	7.7	7.3	8.0	8.8	8.9	8.7	8.4	8.3	7.5	7.9	8.3	7.8
Same	72.9	74.6	71.8	74.1	73.9	70.4	71.2	72.8	73.4	74.2	72.6	74.1	74.1
Employment													
More jobs	17.2	17.1	17.0	15.9	15.4	18.9	17.9	18.6	17.2	17.4	17.3	16.1	16.3
Fewer jobs	14.4	14.5	12.8	12.7	13.1	15.6	14.2	13.2	14.3	13.8	13.7	14.0	15.0
Same	68.4	68.4	70.2	71.4	71.5	65.5	67.9	68.2	68.5	68.8	69.0	69.9	68.7
Income													
Increase	27.8	25.6	26.3	25.2	25.8	26.5	27.0	27.3	26.1	28.5	27.7	29.3	29.5
Decrease	6.7	6.2	6.3	6.1	7.0	8.1	6.7	6.8	6.6	6.6	6.3	6.3	6.3
Same	65.5	68.2	67.4	68.7	67.2	65.4	66.3	65.9	67.3	64.9	66.0	64.4	64.2
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.4	7.3	7.9	7.1	7.3	8.5	6.7	7.1	7.4	8.1	6.7	6.9	6.7
New	3.3	3.5	3.8	4.0	4.0	4.0	3.6	3.6	4.2	3.6	3.7	3.2	3.3
Used	3.3	2.9	3.2	2.7	2.7	3.2	2.5	2.4	2.6	3.3	2.2	2.9	2.6
Uncertain	0.8	0.9	0.9	0.4	0.6	1.3	0.6	1.1	0.6	1.2	0.8	0.8	0.8
Home													
Yes	3.8	3.0	2.9	3.1	3.2	3.4	3.3	3.7	3.5	3.1	3.3	3.0	3.2
New	0.9	0.6	1.0	0.7	1.0	0.9	0.6	1.1	1.1	0.9	1.0	1.1	0.8
Lived in	1.9	1.2	1.2	1.5	1.5	1.4	1.8	1.8	1.6	1.4	1.4	1.5	1.7
Uncertain	1.0	1.2	0.7	0.9	0.7	1.1	0.9	0.8	0.8	0.8	0.9	0.4	0.7
Major appliances													
Total plans	28.9	28.0	26.2	28.4	31.6	27.4	26.8	30.5	28.3	27.4	31.1	25.7	27.7
Refrigerator	4.3	5.4	4.9	4.3	5.4	4.5	4.6	4.4	4.0	4.1	4.7	3.8	4.1
Washing machine	3.7	3.7	3.2	4.2	4.2	3.1	3.4	4.5	3.9	3.5	4.8	3.7	4.1
TV Set	7.5	5.7	5.8	6.4	7.0	6.8	5.3	8.0	6.9	6.6	7.5	6.2	7.7
Vacuum Cleaner	4.7	4.3	4.2	4.9	4.7	5.2	5.0	4.8	5.8	4.7	4.9	4.6	4.7
Range	2.8	3.0	2.6	2.5	3.5	2.8	2.5	3.3	2.5	2.4	3.3	2.8	2.3
Clothes dryer	3.3	3.0	2.9	4.0	3.8	2.6	3.7	3.3	3.3	2.8	3.9	3.1	3.1
Air conditioner	2.6	2.9	2.6	2.1	3.0	2.4	2.3	2.2	1.9	3.3	2.0	1.5	1.7
Carpet	6.6	6.8	5.4	6.3	6.7	6.7	5.9	7.6	6.9	6.0	6.9	5.8	6.3
Vacation Intended Within Six Months: Percent													
Vacation Intended	48.5		45.3		46.8		45.7		50.2		49.0		51.8
Destination													
U.S.	41.6		41.1		38.6		40.8		42.8		41.8		43.9
Foreign country	8.7		8.8		8.1		9.4		9.4		8.6		9.3
Means of travel													
Automobile	28.2		27.0		26.8		27.7		30.1		28.9		29.3
Airplane	18.4		19.0		17.0		18.4		18.8		18.0		18.6
Other	3.5		4.4		4.1		4.5		4.0		4.2		4.7

(p)—preliminary (r)—revised

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THE CONFERENCE BOARD, 845 THIRD AVENUE, NEW YORK, N.Y. 10022

Inflation	Interest Rates		Stock Prices										
			1988	1989									
Not seasonally adjusted	Dec	Jan	Feb.	Mar	Apr	May	June	July	Aug.	Sep	Oct	Nov (r)	Dec (p)
Expectations for Twelve Months Hence: Percent													
Inflation Rate													
Average	4.7	4.6	4.8	4.8	5.1	4.9	4.7	4.8	4.7	4.7	4.8	4.7	4.7
Interest Rates													
Higher	78.2	73.7	71.8	79.9	76.4	69.9	57.3	52.4	44.9	52.4	56.0	52.1	48.1
Same	14.4	18.4	18.8	13.6	14.8	17.6	21.5	21.6	25.1	26.4	25.6	27.7	26.3
Lower	7.4	7.9	9.4	6.5	8.8	13.5	21.2	26.0	30.0	21.2	18.4	20.2	25.6
Stock Prices													
Increase	39.7	42.3	44.9	39.5	39.9	42.7	44.0	41.0	41.8	46.0	45.0	38.0	42.6
Same	33.3	34.7	33.5	34.3	35.9	33.3	34.6	34.9	34.7	32.7	33.3	36.9	34.8
Decrease	27.0	23.0	21.6	26.2	24.2	24.0	21.4	24.1	23.5	21.3	21.7	25.1	22.6

CONSUMER CONFIDENCE BY REGION

	1988				1989								AVERAGE: Oct., Nov., Dec.			
Seasonally unadjusted Index numbers: 1985 = 100	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.(r)	Dec.(p)	1988	1989	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	140.7	135.5	149.5	144.2	138.5	129.7	118.3	123.4	113.7	117.5	116.3	92.7	93.6	145.2	100.9	-30.6
Present Situation	205.6	189.5	203.7	199.5	198.3	189.4	180.0	183.9	170.0	176.7	168.2	129.8	131.8	201.6	143.3	-28.9
Expectations	97.5	99.5	113.4	107.3	98.7	89.9	77.2	83.2	76.2	78.1	81.8	67.9	68.1	107.7	72.6	-32.6
MIDDLE ATLANTIC																
Consumer Confidence Index	124.9	122.1	124.9	117.3	117.8	112.6	122.1	116.1	114.5	120.8	119.2	120.9	111.9	121.6	117.3	- 3.5
Present Situation	164.0	147.1	153.4	142.6	150.7	137.8	155.9	150.1	144.5	149.8	151.1	151.9	141.2	151.9	148.0	- 2.6
Expectations	98.8	105.4	105.8	100.4	95.9	95.8	99.5	93.4	94.5	101.5	98.0	100.2	92.3	101.4	96.8	- 4.5
EAST NORTH CENTRAL																
Consumer Confidence Index	112.9	114.9	121.9	113.8	113.9	114.9	115.3	118.2	114.1	118.0	121.2	114.3	112.7	115.2	116.0	0.8
Present Situation	139.2	131.1	135.9	130.2	132.9	137.4	137.1	144.0	140.6	142.2	147.6	139.3	129.5	138.0	138.8	0.6
Expectations	95.5	104.2	112.6	102.9	101.2	100.0	100.8	101.0	96.4	101.9	103.6	97.6	101.4	100.0	100.9	0.9
WEST NORTH CENTRAL																
Consumer Confidence Index	93.4	98.9	100.3	102.2	89.4	80.4	84.5	97.7	93.7	91.6	113.0	112.5	104.5	93.2	110.0	18.1
Present Situation	103.9	106.1	91.6	99.9	101.0	94.2	95.5	118.5	101.1	110.9	131.1	122.9	126.1	100.2	126.7	26.4
Expectations	86.4	94.2	106.1	103.8	81.7	71.2	77.1	83.9	88.8	78.8	101.0	105.5	90.1	88.5	98.9	11.8
SOUTH ATLANTIC																
Consumer Confidence Index	133.5	131.7	134.5	137.0	134.0	133.7	140.1	141.6	136.9	136.5	140.2	140.3	124.4	138.3	135.0	- 2.4
Present Situation	175.4	167.5	167.0	170.7	171.9	165.3	172.8	178.2	170.6	166.6	174.1	174.8	157.7	173.7	168.8	- 2.8
Expectations	105.6	107.8	112.9	114.6	108.8	112.6	118.4	117.2	114.5	116.5	117.6	117.3	102.3	114.8	112.4	- 2.1
EAST SOUTH CENTRAL																
Consumer Confidence Index	94.3	107.2	108.5	111.6	88.9	106.5	100.1	103.7	88.8	101.0	101.9	104.6	99.2	101.7	101.9	0.2
Present Situation	104.9	96.2	89.7	100.2	92.2	114.4	94.8	95.2	82.1	100.2	102.6	99.0	92.4	102.0	98.0	- 4.0
Expectations	87.2	114.6	121.1	119.2	86.7	101.2	103.6	109.5	93.3	101.6	101.4	108.3	103.7	101.5	104.5	2.9
WEST SOUTH CENTRAL																
Consumer Confidence Index	79.7	84.6	83.8	77.0	82.6	77.4	79.0	88.5	78.4	85.9	87.5	79.7	90.3	77.0	85.8	11.5
Present Situation	34.5	30.1	35.2	30.3	38.8	44.2	46.0	59.9	41.8	45.8	47.5	54.6	49.5	34.8	50.5	45.3
Expectations	109.9	120.9	116.2	108.2	111.8	99.5	100.9	107.5	102.9	112.7	114.2	96.4	117.5	105.1	109.4	4.1
MOUNTAIN																
Consumer Confidence Index	106.1	76.5	86.7	100.6	92.6	90.5	91.7	82.5	85.6	98.2	94.0	98.2	92.3	96.8	94.8	- 2.0
Present Situation	90.9	50.0	43.7	80.4	77.3	75.1	70.6	68.1	71.2	87.7	70.4	74.7	67.3	79.5	70.8	-10.9
Expectations	116.3	94.1	115.4	114.2	102.8	100.8	105.8	92.1	95.3	105.3	109.8	113.9	108.9	108.3	110.8	2.4
PACIFIC																
Consumer Confidence Index	133.7	128.2	138.2	130.0	131.3	134.9	134.6	135.3	133.5	135.6	142.7	134.5	131.8	131.7	136.3	3.5
Present Situation	170.7	157.5	164.0	157.6	165.5	173.2	171.3	171.3	170.3	173.7	178.1	167.3	172.4	165.7	172.6	4.2
Expectations	109.0	108.6	121.1	111.6	108.5	109.4	110.1	111.3	109.0	110.2	119.1	112.7	104.7	109.0	112.2	2.9

*Percent Change: Average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1988	1989												3 mos. Percent Change*
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov (r)	Dec (p)	
TOTAL U.S.														
Consumer Confidence Index	119.3	115.8	120.7	117.4	116.6	116.7	117.2	120.4	115.4	116.3	117.0	115.1	113.1	- 2.0
Present Situation	140.1	133.4	139.2	136.2	138.9	137.2	135.5	141.1	133.0	131.7	133.0	132.3	127.1	- 3.3
Expectations	105.6	104.1	108.3	104.9	101.8	103.0	105.1	106.6	103.7	106.1	106.4	103.7	103.7	- 0.8
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	124.6	119.3	124.3	122.3	120.5	124.2	126.8	128.9	126.7	123.0	125.9	127.2	121.4	- 1.1
35-54	120.5	117.0	122.6	118.8	121.1	115.9	122.8	121.7	119.8	115.2	115.1	115.5	113.2	- 3.6
55 and over	112.8	109.1	113.6	109.5	106.9	110.4	102.6	111.9	100.8	109.1	109.0	103.7	105.6	- 1.1
Present Situation														
Under 35	143.5	133.5	143.6	138.1	144.3	136.3	145.6	146.3	143.7	141.3	142.6	144.7	131.5	- 2.9
35-54	143.5	134.8	139.1	137.5	143.6	141.9	142.7	142.2	138.0	125.7	131.9	133.3	128.5	- 3.0
55 and over	134.6	131.8	136.6	133.6	131.8	132.9	122.7	137.2	121.2	131.7	126.5	121.4	123.0	- 4.9
Expectations														
Under 35	112.3	109.7	111.4	111.7	104.6	116.2	114.4	117.4	115.4	110.8	114.8	115.6	114.9	0.5
35-54	105.3	105.1	111.3	106.3	106.2	98.5	109.6	108.0	107.8	108.5	103.9	103.7	102.9	- 4.3
55 and over	98.4	94.2	98.6	93.8	90.5	95.4	89.1	94.9	87.1	93.9	97.4	92.0	93.7	2.6
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under \$15,000	92.5	94.0	92.2	94.1	94.0	87.1	90.3	88.9	89.6	82.3	87.9	84.7	90.1	0.7
\$15,000-24,999	115.9	105.2	120.6	107.6	114.3	113.0	109.0	121.7	113.5	113.0	107.3	113.4	107.5	- 5.8
\$25,000 and over	131.7	129.6	134.5	131.4	128.2	131.5	132.1	133.8	127.3	130.2	129.9	127.3	124.6	- 2.4
Present Situation														
Under \$15,000	95.0	90.0	88.2	94.8	99.4	88.5	90.7	94.8	92.0	84.4	86.2	84.2	86.6	- 5.2
\$15,000-24,999	133.2	109.5	137.2	112.4	127.0	131.0	125.1	135.3	126.6	119.2	114.1	124.7	112.2	- 7.9
\$25,000 and over	161.8	162.3	164.9	164.0	163.2	162.5	159.7	163.5	154.2	154.7	155.3	153.8	149.3	- 2.9
Expectations														
Under \$15,000	91.3	96.1	93.8	92.9	90.2	86.2	90.4	85.1	88.2	81.3	89.4	85.2	93.0	5.1
\$15,000-24,999	104.7	102.0	109.4	103.7	105.7	101.0	98.3	112.8	104.9	109.3	103.1	106.0	104.6	- 4.1
\$25,000 and over	111.5	108.4	114.8	110.3	105.2	110.9	113.7	113.8	109.3	113.8	112.9	109.6	107.4	- 2.1

*Percent Change: Average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.

